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CHARACTERISTICS OF FARM MORTGAGES RECORDED JANUARY 1 THROUGH MARCH 31, 1961

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Farm mortgages recorded by principal lender groups in the first quarter of 1961 averaged $10,990 in size, carried an average interest rate of 5.79 percent, and were written for an average term of 16.1 years (tables 1 to 3). The average size of loan secured by farm real estate was nearly 10 percent larger than the average two years earlier. The average term was longer by 1.3 years, and the average interest rate was higher (0.38 percentage point) than in the first quarter of 1959. 1/

These findings are from tabulations and analysis of nearly 48,000 farm mortgages recorded in approximately 1,600 counties in the United States during the first quarter of 1961. Data for this biennial survey were obtained by the Farm Credit Administration through secretary-treasurers of Federal land bank associations, county recorders, and others. A sample of life insurance companies also was surveyed to obtain supplementary data on the mortgages recorded by them. Data on the mortgages recorded by the Farmers Home Administration (FHA) and production credit associations (PCA's)--interest rate, term, and size--are published for the first time in this series. In former years these characteristics were included in data for the miscellaneous lender group.

Farm mortgage interest rates for each of the principal lender groups in the first quarter of 1961 were up compared with rates in 1959. The lowest average interest rate in 1961 was on mortgages recorded by FHA (4.67 percent) and individuals (5.52 percent), and highest on those recorded by PCA's (6.20 percent) and banks (6.17 percent).

Terms of farm mortgages were lengthened from 1959 to 1961 by all of the principal lender groups except banks and individuals. The average terms of mortgages shown in table 2 are not strictly comparable with data published for mortgages recorded in earlier years, since the terms shown in the table were weighted by amounts of the mortgages whereas terms published for earlier years were weighted by numbers of mortgages. Weighted by amounts, the longest average terms in 1961 were 29.9 and 28.1 for FHA and Federal land bank (FLB) mortgages, respectively. The shortest terms were on mortgages recorded by PCA's (averaging 2.0 years) and banks (averaging 5.5 years).

The average size of farm mortgages recorded by the FLB's and insurance companies combined in 1961 were about 12 percent larger than the average of those recorded in 1959. Although the average size of farm mortgages recorded by all lenders increased nearly 10 percent, mortgages recorded by banks increased very little while those recorded by individuals decreased approximately 5 percent. Insurance companies and FLB's continued to make farm mortgage loans of the largest average size while banks and miscellaneous lenders made those of the smallest average size.

FHA mortgages carried a lower average interest rate and a longer average term than mortgages of any other lender group. In 1961, FHA made or insured real estate mortgages at different levels of interest rates. Farm-ownership loans were made at 5.00 percent; rural-housing at 4.00 percent; and soil and water conservation, 4.50 to 5.00 percent. Terms of FHA farm mortgages range up to 40 years. However, FHA farm mortgages in the first quarter of 1961 averaged $12,510 in size, had an average interest rate of 4.67 percent, and were made for an average term of 29.9 years.

PCA lending, though primarily for production supplies, livestock, and equipment, in many cases involves taking a farm real estate mortgage for supplemental security. Securing such loans with farm real estate mortgages is a custom of several lender groups in the New Orleans and Columbia Farm Credit Districts. PCA mortgages in 1961 were made with a term not to exceed 7 years, and with an interest rate varying by locality. In the first quarter of 1961, farm mortgages recorded by PCA's averaged $10,760 in size and had an average term of 2.0 years and an average interest rate of 6.20 percent.

1/ For 1959 and previous biennial data, Van E. Eitel, Farm Mortgages Recorded in 1959--Interest Rates, Terms, and Sizes With Historical Data, 1949-1959. U. S. Dept. Agr., Econ. Res. Serv., ERS 61, April 1962.

TABLE 1--FARM MORTGAGES RECORDED-AVERAGE INTEREST RATES, BY LENDER GROUPS, STATES, AND FARM CREDIT DISTRICTS, JAN. 1 THROUGH MAR. 31, 1961 1/

STATE AND DISTRICT	PRINCIPAL LENDER GROUPS							
	FEDERAL LAND BANKS	INSURANCE COMPANIES	BANKS AND TRUST COMPANIES	FARMERS HOME ADMINISTRATION	PRODUCTION CREDIT ASSOCIATIONS	INDIVIDUALS	MISCELLANEOUS LENDERS 2/	ALL LENDERS
	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT	PERCENT
NEW YORK	5.92	5.97	5.94	4/	4/	5.05	6.00	5.74
NEW JERSEY	5.92	4/	5.97	4/	4/	5.41	5.65	5.79
SPRINGFIELD 3/	5.92	5.98	5.95	4/	4/	5.17	5.93	5.75
PENNSYLVANIA	6.00	5.87	5.91	4/	4/	4.92	5.58	5.69
DELAWARE	4/	4/	5.94	4/	4/	4/	4/	5.92
MARYLAND	6.00	4/	5.91	4/	4/	5.20	5.84	5.61
VIRGINIA	6.00	5.98	5.90	4/	4/	5.38	5.20	5.66
WEST VIRGINIA	4/	4/	5.99	4/	4/	5.52	5.27	5.78
BALTIMORE	6.00	5.95	5.92	4/	4/	5.28	5.46	5.67
NORTH CAROLINA	5.89	5.99	5.98	4/	6.01	5.78	5.59	5.86
SOUTH CAROLINA	5.84	6.00	6.23	4/	6.00	6.24	5.81	5.96
GEORGIA	5.88	6.31	7.22	4/	6.25	6.30	6.53	6.44
FLORIDA	5.88	6.20	6.52	4/		5.87	5.80	5.98
COLUMBIA	5.87	6.11	6.47	4/	6.08	5.99	6.05	6.07
OHIO	5.50	5.84	5.93	4/	6.00	5.13	6.00	5.69
INDIANA	5.50	5.77	5.94	4/	6.10	5.20	5.50	5.67
KENTUCKY	5.50	5.88	5.96	4.66	6.00	5.54	5.67	5.76
TENNESSEE	5.51	5.82	5.96	4.63	6.00	5.74	5.70	5.74
LOUISVILLE	5.50	5.82	5.95	4.67	6.01	5.44	5.73	5.71
ALABAMA	5.51	6.14	6.35	4/	4/	5.76	5.61	5.83
MISSISSIPPI	5.50	5.99	6.34	4.40	6.00	5.84	5.81	5.93
LOUISIANA	5.31	5.96	7.03	4/	4/	6.58	6.65	6.21
NEW ORLEANS	5.46	5.99	6.45	4.56	6.01	5.87	5.90	5.96
ILLINOIS	5.50	5.74	5.73	4.54	6.00	4.97	5.58	5.58
MISSOURI	5.50	5.97	6.30	4.78	6.28	5.64	5.55	5.81
ARKANSAS	5.48	5.99	6.94	4.08	6.19	6.18	5.60	6.04
ST. LOUIS	5.50	5.87	6.24	4.46	6.19	5.64	5.57	5.79
MICHIGAN	5.50	5.93	6.16	4/	4/	4.93	5.67	5.68
WISCONSIN	5.50	5.96	5.88	4/	4/	4.65	5.00	5.53
MINNESOTA	5.52	5.80	6.07	4/	4/	4.56	5.80	5.62
NORTH DAKOTA	5.51	6.00	6.40	4.80	6.27	4.79	6.13	5.55
ST. PAUL	5.51	5.85	6.12	4.83	6.33	4.70	5.85	5.61
IOWA	5.86	5.80	5.65	4/	6.50	4.87	4.99	5.57
SOUTH DAKOTA	5.77	6.04	6.39	4/	4/	4.97	5.45	5.67
NEBRASKA	5.78	5.90	5.98	4.80	4/	5.02	5.46	5.61
WYOMING	5.79	6.03	5.93	4/	4/	5.54	4.13	5.62
OMAHA	5.81	5.87	5.88	4.88	6.43	4.95	5.04	5.60
KANSAS	5.50	5.85	5.85	4.74	4/	5.58	5.13	5.62
OKLAHOMA	5.53	5.94	7.18	4.80	4/	5.84	3.75	5.53
COLORADO	5.50	6.06	6.50	4/	4/	5.68	5.82	5.77
NEW MEXICO	5.50	6.06	6.97	4/	4/	5.64	5.39	5.79
WICHITA	5.51	5.96	6.60	4.75	6.38	5.70	4.10	5.67
TEXAS	5.51	5.98	6.32	4.59	6.53	5.76	6.18	5.85
HOUSTON	5.51	5.98	6.32	4.59	6.53	5.76	6.18	5.85
ARIZONA	5.97	6.37	4/	4/	4/	5.73	5.76	6.02
UTAH	6.00	6.06	7.32	4/	4/	6.27	4/	5.91
NEVADA	4/	4/	4/	4/	4/	4/	4/	4/
CALIFORNIA	5.99	6.06	6.47	4/	4/	5.82	4/	6.06
BERKELEY	5.98	6.11	6.53	4/	4/	5.85	5.80	6.04
MONTANA	5.97	6.12	6.43	4/	6.86	5.62	5.66	6.00
IDAHO	5.97	6.09	6.65	4.76	6.41	5.67	5.23	5.91
WASHINGTON	5.93	6.12	6.23	4.61	4/	5.72	6.52	6.01
OREGON	5.99	6.06	5.88	4.85	6.32	5.82	5.51	5.91
SPOKANE	5.97	6.10	6.41	4.75	6.54	5.70	5.59	5.95
UNITED STATES	5.64	5.94	6.17	4.67	6.20	5.52	5.69	5.79

1/ Data for 48 States only. Excludes loans of $250,000 and over. Interest rates are weighted by the amounts of the mortgages.

2/ Includes mortgage and investment companies, savings and loan associations, State and local governmental agencies, merchants and dealers, and unidentified lenders.

3/ Excludes the New England States.

4/ Adequate data not available.

TABLE 2.-- FARM MORTGAGES RECORDED--WEIGHTED AVERAGE TERM, BY LENDER GROUPS, STATES, AND FARM CREDIT DISTRICTS, JAN. 1 THROUGH MAR. 31, 1961 1/

STATE AND DISTRICT	PRINCIPAL LENDER GROUPS							
	FEDERAL LAND BANKS	INSURANCE COMPANIES	BANKS AND TRUST COMPANIES	FARMERS HOME ADMINISTRATION	PRODUCTION CREDIT ASSOCIATIONS	INDIVIDUALS	MISCELLANEOUS LENDERS 2/	ALL LENDERS
	YEARS	YEARS	YEARS	YEARS	YEARS	YEARS	YEARS	YEARS
NEW YORK	27.3	20.0	9.3	4/	4/	11.1	8.2	15.2
NEW JERSEY	33.0	4/	11.2	4/	4/	9.9	11.0	15.9
SPRINGFIELD 3/	28.6	20.0	9.8	4/	4/	10.7	8.8	15.4
PENNSYLVANIA	22.2	19.3	10.0	4/	4/	10.1	21.5	12.8
DELAWARE	4/	4/	3.6	4/	4/	4/	4/	7.1
MARYLAND	26.1	4/	6.4	4/	4/	8.4	13.6	10.2
VIRGINIA	24.3	20.0	7.5	4/	4/	8.3	13.5	11.6
WEST VIRGINIA	4/	4/	5.1	4/	4/	6.4	25.6	10.3
BALTIMORE	23.3	20.0	7.9	4/	4/	8.4	15.4	11.4
NORTH CAROLINA	25.0	19.3	3.4	4/	2.1	5.5	14.9	13.1
SOUTH CAROLINA	23.4	19.4	2.8	4/	2.7	5.1	12.3	12.8
GEORGIA	21.1	20.0	1.6	4/	3.0	5.3	6.0	7.9
FLORIDA	21.0	19.6	4.5	4/	4/	7.5	8.3	12.0
COLUMBIA	22.9	19.5	2.7	4/	2.8	5.9	9.0	10.9
OHIO	33.1	20.3	8.5	4/	2.4	9.9	13.4	17.5
INDIANA	30.6	19.9	9.1	4/	3.9	10.8	11.0	17.3
KENTUCKY	29.9	20.2	2.3	36.7	2.9	5.2	11.9	11.9
TENNESSEE	24.2	21.1	2.0	32.6	1.9	5.7	10.3	9.4
LOUISVILLE	30.1	20.2	5.3	34.6	2.5	7.5	11.6	14.1
ALABAMA	19.5	20.0	2.7	4/	4/	5.0	10.7	10.3
MISSISSIPPI	25.5	19.6	1.5	33.6	1.0	8.2	2.0	8.3
LOUISIANA	26.4	20.6	2.7	4/	4/	6.7	10.8	18.9
NEW ORLEANS	23.5	19.8	1.9	32.4	1.0	7.2	3.3	9.8
ILLINOIS	31.9	19.7	9.4	32.5	1.3	9.9	15.5	21.9
MISSOURI	25.7	19.8	4.2	34.8	2.5	8.2	15.3	14.4
ARKANSAS	26.1	20.7	3.4	18.2	1.6	7.8	14.0	13.3
ST. LOUIS	29.5	20.1	6.2	28.2	1.6	8.4	15.0	17.1
MICHIGAN	24.6	19.0	8.2	4/	4/	13.3	20.1	18.1
WISCONSIN	26.6	19.5	6.3	4/	4/	8.1	35.4	20.8
MINNESOTA	29.6	19.2	7.9	4/	4/	9.7	9.3	19.7
NORTH DAKOTA	21.8	19.2	5.8	37.2	1.0	10.3	10.8	17.7
ST. PAUL	26.1	19.2	7.8	35.8	1.8	10.5	14.1	19.1
IOWA	33.8	19.9	6.7	4/	1.1	12.2	18.8	21.3
SOUTH DAKOTA	29.8	19.3	4.4	4/	4/	9.6	21.9	22.3
NEBRASKA	29.8	19.8	7.8	34.6	4/	8.3	13.8	20.1
WYOMING	28.2	19.3	10.1	4/	4/	9.9	25.5	22.6
OMAHA	31.2	19.8	6.9	35.6	1.1	10.4	20.9	21.2
KANSAS	30.6	19.4	10.5	34.1	4/	7.7	24.4	22.1
OKLAHOMA	30.0	19.7	3.9	25.3	4/	8.7	26.0	17.7
COLORADO	26.8	20.3	4.0	4/	4/	9.9	14.9	17.4
NEW MEXICO	23.1	19.3	3.7	4/	4/	12.3	3.8	15.0
WICHITA	28.8	19.7	6.2	28.3	1.0	9.8	23.6	18.6
TEXAS	26.2	17.3	5.2	28.6	1.6	11.6	11.0	15.4
HOUSTON	26.2	17.3	5.2	28.6	1.6	11.6	11.0	15.4
ARIZONA	18.1	14.1	4/	4/	4/	11.6	5.4	11.9
UTAH	20.0	20.0	3.7	4/	4/	8.7	4/	20.3
NEVADA	4/	4/	4/	4/	4/	4/	4/	4/
CALIFORNIA	20.0	19.1	7.8	4/	4/	13.2	4/	18.5
BERKELEY	19.6	18.4	7.4	4/	4/	11.2	7.0	17.2
MONTANA	21.3	19.8	2.8	4/	1.2	7.4	19.5	16.6
IDAHO	27.3	20.1	4.7	22.1	.9	9.6	15.4	18.3
WASHINGTON	30.4	20.5	10.3	32.7	4/	2.7	1.6	22.4
OREGON	25.7	20.8	7.7	22.2	4.4	11.2	21.8	15.9
SPOKANE	25.0	20.3	4.5	23.6	2.8	9.3	18.6	17.8
UNITED STATES	28.1	19.5	5.5	29.9	2.0	9.2	10.7	16.1

1/ Data for 48 States only. Excludes loans of $250,000 and over. Terms are weighted by the amounts of the mortgages, excluding those payable on demand and those amortized over periods of more than 40 years.

2/ Includes mortgage and investment companies, savings and loan associations, State and local governmental agencies, merchants and dealers, and unidentified lenders.

3/ Excludes the New England States.

4/ Adequate data not available.

TABLE 3.--FARM MORTGAGES RECORDED - AVERAGE SIZE, BY LENDER GROUPS, STATES, AND FARM CREDIT DISTRICTS, JAN. 1 THROUGH MAR. 31, 1961 1/

STATE AND DISTRICT	PRINCIPAL LENDER GROUPS							
	FEDERAL LAND BANKS	INSURANCE COMPANIES	BANKS AND TRUST COMPANIES	FARMERS HOME ADMINISTRATION	PRODUCTION CREDIT ASSOCIATIONS	INDIVIDUALS	MISCELLANEOUS LENDERS 2/	ALL LENDERS
	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS
NEW YORK	12,850	11,610	7,440	4/	4/	9,170	7,900	9,240
NEW JERSEY	17,860	4/	13,100	4/	4/	11,530	8,970	13,060
SPRINGFIELD 3/	13,620	11,910	8,650	4/	4/	9,810	8,120	10,100
PENNSYLVANIA	8,810	24,540	9,620	4/	4/	13,510	8,790	10,790
DELAWARE	4/	4/	9,280	4/	4/	4/	4/	17,490
MARYLAND	10,710	4/	8,840	4/	4/	19,550	19,170	14,080
VIRGINIA	10,020	39,150	6,050	4/	4/	13,770	10,550	9,860
WEST VIRGINIA	4/	4/	6,090	4/	4/	5,980	5,810	6,150
BALTIMORE	9,790	30,780	7,490	4/	4/	14,260	10,840	10,360
NORTH CAROLINA	8,210	16,320	4,990	4/	2,730	4,470	3,670	4,450
SOUTH CAROLINA	9,180	19,950	3,730	4/	6,860	3,760	6,320	5,960
GEORGIA	7,600	17,420	3,800	4/	7,890	5,230	4,610	5,210
FLORIDA	19,090	43,580	4,980	4/	4/	13,240	14,440	14,030
COLUMBIA	8,940	21,290	4,240	4/	3,820	5,470	5,320	5,590
OHIO	16,960	21,700	8,330	4/	21,090	11,170	9,940	11,530
INDIANA	11,800	20,080	6,550	4/	13,010	8,420	10,960	9,870
KENTUCKY	12,310	23,710	5,960	12,210	8,680	6,640	9,650	8,360
TENNESSEE	8,590	18,940	4,490	10,240	8,740	6,640	7,840	6,430
LOUISVILLE	12,280	21,270	6,150	11,760	10,570	7,930	9,700	8,860
ALABAMA	7,170	25,320	4,100	4/	4/	3,700	5,320	5,240
MISSISSIPPI	15,060	35,310	5,270	6,390	37,020	7,690	22,860	14,050
LOUISIANA	15,540	33,010	4,840	4/	4/	4,030	7,390	9,890
NEW ORLEANS	10,680	34,120	4,870	6,140	30,720	5,640	14,860	10,520
ILLINOIS	18,540	28,090	10,370	13,020	23,770	12,840	13,120	16,930
MISSOURI	9,590	19,410	5,030	11,980	11,850	7,490	8,390	7,830
ARKANSAS	13,890	38,040	5,610	7,920	20,250	7,630	7,540	12,440
ST. LOUIS	14,580	27,830	6,410	10,140	19,160	8,020	9,060	11,300
MICHIGAN	10,710	20,760	6,830	4/	4/	7,430	8,050	8,920
WISCONSIN	8,800	22,300	7,770	4/	4/	10,080	6,340	9,960
MINNESOTA	11,480	17,690	5,490	4/	4/	8,850	9,340	11,250
NORTH DAKOTA	14,080	12,490	5,650	16,590	19,330	6,640	7,060	10,800
ST. PAUL	11,270	18,070	6,600	15,060	15,560	8,480	7,740	10,280
IOWA	14,660	17,670	8,930	4/	15,490	17,040	14,490	14,530
SOUTH DAKOTA	11,080	15,680	5,930	4/	4/	9,650	15,740	10,990
NEBRASKA	12,370	17,470	9,100	18,220	4/	10,320	9,190	12,140
WYOMING	22,290	30,520	22,280	4/	4/	15,960	23,110	22,450
OMAHA	13,310	17,850	8,950	19,040	16,460	13,700	14,710	13,510
KANSAS	11,950	15,630	7,750	11,600	4/	8,700	8,050	10,530
OKLAHOMA	10,560	20,970	5,790	11,870	4/	8,040	8,860	8,880
COLORADO	17,870	24,800	14,980	4/	4/	20,510	8,270	19,220
NEW MEXICO	19,610	37,580	12,510	4/	4/	24,910	14,390	23,750
WICHITA	13,330	21,100	7,490	11,870	29,800	12,900	8,860	12,240
TEXAS	11,740	29,410	12,010	11,980	22,780	18,860	17,040	16,510
HOUSTON	11,740	29,410	12,010	11,980	22,780	18,860	17,040	16,510
ARIZONA	24,200	52,600	4/	4/	4/	24,740	45,390	38,280
UTAH	12,490	23,360	8,180	4/	4/	14,920	4/	12,940
NEVADA	4/	4/	4/	4/	4/	4/	4/	4/
CALIFORNIA	35,750	51,400	37,150	4/	4/	22,350	4/	42,580
BERKELEY	23,210	51,110	19,690	4/	4/	22,440	37,380	36,520
MONTANA	22,120	39,230	12,200	4/	20,080	15,870	8,050	19,440
IDAHO	13,990	24,630	10,570	15,750	27,750	12,950	9,070	15,780
WASHINGTON	12,990	31,050	11,440	13,730	4/	9,270	9,790	14,450
OREGON	19,230	23,910	9,800	15,610	25,850	15,170	18,790	18,930
SPOKANE	16,690	28,890	11,380	14,940	24,780	13,510	10,450	16,930
UNITED STATES	12,940	24,770	6,630	12,510	10,760	10,320	9,350	10,990

1/ Data for 48 States only. Excludes loans of $250,000 and over.
2/ Includes mortgage and investment companies, savings and loan associations, State and local governmental agencies, merchants and dealers, and unidentified lenders.
3/ Excludes the New England States.
4/ Adequate data not available.